

CREDIT-SALE CONTRACT INDEMNITY FUND

Collections Suspended as of July 1, 2008

A North Dakota Credit-Sale Contract Indemnity Fund was established by the 2003 Legislature to pay grain sellers for credit-sale contract losses that may be incurred as a result of buyer insolvency. Persons making claims against the fund are eligible to receive 80% payment of the amount owed, not to exceed \$280,000 per insolvency.

Since August 2, 2003, all grain sellers have been charged a two-tenths of one percent (0.002) assessment on all credit-sale contract grain sold in North Dakota. State law made participation mandatory. The Credit-Sale Contract Indemnity Fund has reached the \$6 million mandated cap and as of July 1, 2008, credit-sale contract assessments are suspended.

State law defines a credit-sale contract as “a written contract for the sale of grain pursuant to which the sale price is to be paid or may be paid more than thirty days after the delivery or release of the grain for sale.” Common types of credit-sale contracts used are Deferred Payment, No Price Established, Installment Sales, Minimum Price, Basis Fixed, etc.

If you have any questions regarding the credit-sale contract indemnity fund, you may visit the Public Service Commission’s website at www.psc.state.nd.us or call our office at 701-328-4097.

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